

TORONTO, ONTARIO--(Marketwired - Jul 27, 2017) - [Darnley Bay Resources Ltd.](#) (TSX VENTURE:DBL) (the "Company" or "Darnley Bay") is pleased to announce that it has entered into an option with Karst Investments LLC ("Karst") to purchase a 50% undivided interest in the 3% (three percent) net smelter return royalty that Karst holds on Darnley Bay's Pine Point lead-zinc project near Hay River in the Northwest Territories.

"This purchase will further enhance the economics of the already robust Pine Point project," says Jamie Levy, President and CEO of the Company. "Importantly, for a developing company, the majority of the purchase price is not due until the project is in commercial production."

The terms of the agreement include the payment of US\$75,000 on signing of the agreement together with the issuance of 1,000,000 shares of Darnley Bay to Karst. In order to maintain the option, Darnley Bay will be required to make prepayments of US\$75,000 on each anniversary of the signing of the agreement, until commercial production is achieved. Upon commercial production, Darnley Bay can exercise its option by paying Karst US\$3,000,000, minus all prepayments.

Forward-Looking Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that Darnley Bay expects are forward-looking statements. Although Darnley Bay believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in forward-looking statements. These include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on Darnley Bay, investors should review registered filings at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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